

Hunter Mill Citizens Budget Advisory Committee Report on FY2019 Budget

Budget Committee Members:

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The committee was supportive of the advertised FY2019 tax rate as increased over the last fiscal year to continue the level of services and support of the County's schools. The Committee reviewed and developed recommendations in several program areas, and has provided suggested areas of review for expense reductions.

PUBLIC SAFETY

Recommendations:

Support the market rate adjustment of 2.25% for County Employees
Fund 17 new positions slated for the South County station
Expand the Intervention, Prevention and Education program for gang prevention

Issues for the future:

- 1) Incentives for first responders in the first few years of service to live in the County through subsidized housing or tax credits for purchase of homes
- 2) Body worn camera program cost should be weighed against long term utility and impact on funding other initiatives
- 3) Funding for pay scale decompression to make supervisory ranks more attractive
- 4) Index Animal Protection Police Officers' pay from FCPD pay scale. Cost of overtime for FCPD officers to fill in for APPO gaps (due to unfilled positions) would cover increase in pay scale.
- 5) Addition of Watch Commander positions at each station to provide 24/7 commander presence.
- 6) Addition of non-supervisory career path to keep experienced expertise "on the street" .

INFORMATION TECHNOLOGY

Support the IT budget as is. Any savings from IT cuts would be detrimental to other agencies and departments.

Department is “run incredibly well”

- Database purchase – trained staff on new software rather than rely on contractors
- Implementing near real time uptime instead of 100% uptime, resulting in substantial savings

IT bears some of the cost of County initiatives and agencies

- Body Camera recordings by police need to be stored – cost estimated between \$1-8 million
- Health data – gets stored for 75 years

Average salary for employees is far below private sector wages.

Recommends conversion to Windows 10 and SSD - realize savings in hardware replacement – from 3 to 5 or 6 years.

ECONOMIC DEVELOPMENT

Current mission works to fill office space by attracting large businesses to the County. (Office vacancy rate rose to 16.5%). Going forward, look beyond the future of filling office space requirements –

- Shift to a more socioeconomic model rather than the corporate-led “revitalization” model
- Incorporate public information with smart cities planning strategies
- Plan for changes in how office space is implemented - greater flexibility for coworking space

Consider areas of collaboration and common interest among agencies

- Focus on how Countywide initiatives will attract and meet the needs of businesses of all sizes
- More collaboration and oversight to Contributory, Special Revenue, Custodial, and Trust autonomous funds
 - More independent and citizen driven governing structure of each fund
- Consider merging economic development with individual redevelopment centers and interest under one organization

Consider age drivers

While over 55 age population will be increasing, attraction of the next wave of businesses goes to the area that attract educated millennials

Pool resources to bring together millennial attracting and senior engagement initiatives which would be revenue generators, such as,

- Entrepreneurial opportunities- attract small business starts
- Sports tourism – county wide attraction for venues, retail, lodging and dining
- Analyze what works – data/metrics to identify areas of success and improvement

PUBLIC SCHOOLS

Recommend fully fund FCPS FY2019 Budget as advertised

- Fairfax County is an excellent public school system – draw for many to locate in the County
- 86.1% of budget is allocated to instructional programs, 13.9% to facilities, transportation and support
- increase of 702 students is projected, plus 8.2% increase of free/reduced meal eligible students, and 951 more special education students, or 3.7%
- 19,200 students in more than 760 trailers – facility renovation backlogs
- State’s contribution to K-12 public educational funding – 72% of operational budget comes from the County. Other counties receive about 41% of their budget from state funding.

Future Consideration

- School Board should examine and balance budget priorities
 - Re-assess FCPS contributions to FCER, VRS and ERFC pensions
- External auditors to clarify FCPS goals, and evaluate budget process and financial operations.

HEALTH AND HUMAN SERVICES

Support for the County Executive’s recommendations for human services programs

- Contract rate increase
- Consolidated Community Funding Pool increase of 5%, plus CDBG funding
- Opportunity Neighborhoods expansion to Bailey’s/Culmore and Herndon
- Early childhood care slots – 36 new childcare slots to serve at risk pre-schoolers
- Expand Nurse Family Partnership program to Herndon and Reston areas

- Nursing services for medically fragile students – to meet demand as mandated by fed law.

Support for multi-agency programs:

Opioid Epidemic multi-year plan developed by Opioid Task Force - \$1.47 m increase

- Health Dept – position transfer for epidemiological support, data analysis, monitoring and evaluation
- Police Dept – for operating expenses
- CSB – to increase education and awareness and expand use of Medication Assisted Treatment

Diversion First - 3rd year of 5 year plan - \$2.46 m increase

- CSB – strengthen operations at Merrifield Crisis Response Center, 3rd Mobile Crisis Unit
- Police Dept – additional position for Merrifield support, 24/7
- Juvenile & Domestic Relations District Court – increased supervision of pretrial cases requiring mental health services
- Office of Sheriff – 3 positions to provide supervision at Merrifield and transportation for hospitalization

Gang Prevention - \$612,000 increase

- Police Dept – one additional position
- NCS – expand parent liaison services and targeted ES outreach
- Juvenile & Domestic Relations District Court – intervention, prevention and education program expansion, and reunifying family services
- Office of Public Affairs

Future Consideration

Expand Human Services Resource Plan by partnering with FCPS, non-profits, faith communities and businesses to ascertain the resources provided outside the County's HS agencies budgets, and incorporate HS system needs in CIP budgets.

Increase affordable/accessible homes – adopt Strategic Plan for Affordable Homes

EMPLOYEE RETIREMENT

The prevalence of defined contribution plans in the private sector compared with defined benefit plans have emerged and benefit both employee and employer.

Defined contribution plans

- 1) Encourage employees to save for their own retirement – employers typically match employee contributions of up to 50%
- 2) Better understanding of retirement system plus more attractive to younger, more career-mobile employees
- 3) Employees can tap their accounts prior to retirement
- 4) Costs are more predictable and less volatile
- 5) Administrative costs are similar to both types of plans with defined contribution plans actually more per participant
- 6) Funds belong to the employee and are portable if they decide to leave.

Recommendation

Move County's defined benefit plans to a single defined contribution plan.

- Paying the administrative costs of three different plans is inefficient and costly.
- Cost of dbp are unpredictable and will lead to eventual collapse of the system or insolvency
- County should not be involved in taking on investment and market risks to fund pensions
 - Total net pension liability for all three systems is \$2.28 billion
- County's retirement plan is more generous than other jurisdictions and rewards employees who retire early.